

Kentucky Agricultural Finance Corporation

Minutes of the June 3, 2011 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board of Directors was held Friday, June 3, 2011 at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. Bruce Harper, designee for Commissioner Richie Farmer, presiding, called the meeting to order at 10:04 a.m. EDT.

Notification of Press

Mr. Harper received verification that the media had been notified regarding the Kentucky Agricultural Finance Corporation (KAFC) monthly meeting.

Roll Call

Members Present

Bruce Harper (designee for Commissioner Farmer), Westy Adams, George Begley, Kenneth Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Tom Midkiff (designee for Secretary Miller), Joel Oney, Frank Penn, Peggy Peterson, Bob Proffitt

Members Absent -

Others Present

Staff – Roger Thomas, Angela Blank, Sandy Gardner, Cyndi Hall, Christi Marksbury, Bill McCloskey

Guests – Lowell Atchley and Biff Baker, Legislative Research Commission (LRC); Tim and Wanda Quiggins, Hart County farmers

Welcome/Introduction of Guests

Mr. Harper welcomed the Board and guest to the KAFC Board meeting.

Review and Approval of Minutes

Westy Adams moved to approve the minutes of the April 1, 2011 KAFC Board of Directors meeting, as presented; Kenny Burdine seconded the motion. *The motion passed without dissent.*

Reports

Executive Director's Report

Mr. Harper called on Roger Thomas to give the Executive Director's Report. Mr. Thomas reported on the activities and meetings of the Governor's Office of Agricultural Policy (GOAP) staff.

Mr. Thomas noted the University of Kentucky Agriculture Farm in Woodford County would be dedicated in honor of Dean Oren Little at 5:30 p.m. EDT on Friday, June 3, 2011.

Mr. Thomas gave an update on the Kentucky Agricultural Development Fund Forums and thanked the board members that attended.

Mr. Thomas called on Angela Blank to present the 2011 Bioenergy Tour Report, which was handed out to the board members.

The Director of Financial Services Report

Mr. Harper asked Bill McCloskey to give the Director of Financial Services Report. Mr. McCloskey reviewed the financial position report (below) of KAFC.

KAFC Statement of Financial Position	
ASSETS (as of 05/31/2011):	
Interest Earned from Loans	\$ 2,379,021
Interest Earned from State Investment Commission	1,068,900
Interest Fund (2802 Acct.)	3,447,921
Principal/Loan Fund (2803 Acct.)	2,568,083
Loan Funds Disbursed	29,564,104
KADB Approved Loans not Transferred	
Funds Held by State & not transferred to KAFC	2,000,000
Total Assets	\$37,580,109

Tom Midkiff moved to approve the financial report; Bob Proffitt seconded the motion.
The motion passed without dissent.

New Business

The following applications were received between April 30, 2011 and May 23, 2011.

Agricultural Infrastructure Loan Program -- Discussion and Action

AF11-0018 Kimbro, Billy and Debra -- Applicants requested \$21,400 for the construction of a tobacco barn in Calloway County. Regions bank in Murray is the participating lender. This loan was approved by staff (May 25, 2011), based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

AF11-0021 Lee, Christopher "Kyle" and Jillian -- Applicants requested \$27,500 for the construction of a tobacco barn in Taylor County. United Citizens Bank of Southern KY in Campbellsville is the participating lender. This loan was approved by staff (May 25, 2011), based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

Beginning Farmer Loan Program -- Discussion and Action

AF11-0019 Jones, Ethan -- Pending

Diversification through Entrepreneurship in Agribusiness Loan Program— Discussion and Action

AF11-0020 Quiggins, Timmy and Wanda-- Applicants requested \$100,000 for the construction of a meeting hall, sale barn and holding barn in Hart County. Lincoln National Bank in Hodgenville is the participating lender. Staff

recommended loan approval. Wayne Hunt moved to approve AF11-0020, based on staff's recommendation, pending fund availability; Frank Penn seconded the motion. *The motion passed without dissent.*

Old Business

Agricultural Processing Loan Program -- Discussion and Action

AF11-0012 **Bird, Dinah** – Applicant requested \$57,000 for the development and expansion of parking lot and tasting room in Bracken County. Staff recommended to deny this loan. Mr. Burdine moved to deny AF11-0012, based on staff's recommendation; Mr. Adams seconded the motion. *The motion passed without dissent.*

Agricultural Infrastructure Loan Program -- Discussion and Action

AF11-0016 **Newcomb, Aaron** – Request by Loan Officer to change amount (\$55,000 to \$50,000) and loan-to-appraisal (from 80% to 88.23%). No board action required as this was a staff approval.

Closing Remarks

The next meeting of the KAFC Board will be Friday, July 22, 2011 at the James E. Bruce Convention Center, 303 Conference Center Drive, Hopkinsville, KY. The regular business meeting of KAFC will begin at 9:00 a.m. CDT.

Mr. Penn moved to adjourn; Mr. Adams seconded the motion. *The motion passed without dissent.* The meeting adjourned at 10:40 a.m. EDT.

APPROVED: 7-22-11

PRESIDING OFFICER: Bruce Arnold

SECRETARY: Cyndi Hale